



REPUBLIC OF KENYA

INTERGOVERNMENTAL PARTICIPATION AGREEMENT

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BETWEEN

THE NATIONAL GOVERNMENT OF THE REPUBLIC OF KENYA

AND

THE COUNTY GOVERNMENT OF THARAKA NITHI

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ON IMPLEMENTATION OF

NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT  
PROJECT (NAVCDP)

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DATED

Day of

2023

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COUNTY GOVERNMENT OF THARAKA NITHI

This Agreement is made between the National Government of the Republic of Kenya acting through the Ministry of Agriculture and Livestock Development (MoALD), (hereinafter called "**the National Government**") on the one part, and the County Government of

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(hereinafter called "**the County Government**"), (the National Government and the County Government are hereinafter collectively referred to as "**the Parties**").

## **WHEREAS**

- A. The Republic of Kenya (Recipient) has negotiated and signed a Financing Agreement with the International Development Association (IDA) (hereinafter called the World Bank) for the National Agricultural Value Chain Development Project (hereinafter called NAVCDP or simply, the Project);
- B. The Recipient has agreed with the IDA that the Ministry of Agriculture and Livestock Development (MoALD), will be the lead implementing agency for the Project; and,
- C. Participating County Governments will be the executing agencies of the Project at county level;

## **NOW THEREFORE**

In consideration of the commitments and agreements contained herein, the Parties agree as follows:

### **1. OBLIGATIONS OF THE NATIONAL GOVERNMENT**

1.1 The National Government shall make available to the County Government, resources earmarked for implementation of NAVCDP activities in ..... County for the period covering fiscal year **2023-24 to 2027-28** to carry out eligible activities as per this Agreement, including all annexes thereto which form an integral part of this Agreement. The annexes are:

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- (a) The signed Financing Agreement between the National Treasury (NT) and the World Bank, marked as Annex I to this Agreement;
- (b) The Project Implementation Manual (PIM), marked as Annex 2 to this Agreement; and
- (c) The Project Appraisal Document (PAD) marked as Annex 3 to this Agreement.
- (d) The project Environmental and Social Commitment Plan

1.2 The National Government shall provide to the County Government, the World Bank list of debarred firms and individuals, which the County Government will not engage with. The list may be found on the World Bank external website: <http://www.worldbank.org/debarr>.

1.3 The Accounting Officer, Principal Secretary, State Department for Crop Development (SDCD), in consultation with the National Project Steering Committee (NPSC) and the World Bank may suspend or terminate the right of the County Government to use or benefit from the use of the proceeds of the Project resources upon failure by the County Government to perform its obligations under this Agreement and to comply with the minimum access conditions and minimum performance conditions or disbursement triggers specified in the PAD, and the PIM (including its Annexes such as the Procurement and Financial Management manuals).

1.4 The National Government shall make available to the County Government resources for project implementation in the county in accordance with agreed eligibility criteria and procedures as detailed in the PIM.

## 2. OBLIGATIONS OF THE COUNTY GOVERNMENT

2.1 In the first fiscal year of implementation, the County Government will become eligible for allocation of NAVCDP resources upon compliance with the following minimum conditions:

- (a) Signing of Intergovernmental Participation Agreement;
- (b) Opening a county Special Purpose Account with the Central Bank of Kenya, with Chief Officers Finance, and Agriculture being primary signatories;
- (c) Establishment of a County Project Steering Committee (CPSC) comprised of members as described in the PIM;
- (d) Establishment of a County Project Coordination Unit (CPCU) with full staffing in accordance with staff composition outlined in the PIM; and
- (e) Submission of an approved Annual Work Plan and Budget (AWPB) for 12 months for activities to be supported under NAVCDP in the county.

2.2 From the second fiscal year, in order to be eligible to participate, the County Government will be required to meet the following minimum set of conditions: —

- (a) Establishment of Community-Driven Development Committees (CDDCs) and Farmer Producer Organizations (FPOs) in all participating communities in accordance with the PIM;
- (b) Inclusion of NAVCDP activities in the county planning framework — the County Integrated Development Plans (CIDP) and the shorter term annual/bi-annual development plans; and
- (c) Timely submission of the Project annual technical and financial report for the previous year in accordance to procedures laid out in the PIM.

2.3 The County Government shall make arrangements to avail to Beneficiaries funds for subprojects in accordance with eligibility criteria, procedures and environmental and social safeguard standards acceptable to the World Bank, and as detailed in the PIM. For this purpose, the County Government shall enter into Memorandum of Understanding (MOU) with eligible beneficiary communities (represented by duly consulted CDDCs and FPOs) specifying the terms and conditions for community participation in the Project as laid out in the Financing Agreement and the PIM.

2.4 The County Government is expected to:

- (a) Appraise, carry out and verify its activities under the Project with due diligence and efficiency and in accordance with the PIM, the Environmental and Social Management Framework (ESMF), Resettlement Policy framework (RPF), Vulnerable and Marginalized Groups Framework (VMGF), Stakeholder Engagement Plan (SEP), Environmental and Social Commitment Plan (ESCP) and the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011;

- (b) Maintain policies and procedures adequate to enable the National Government and the World Bank to monitor the progress of its activities under the Project and the achievement of Project objectives;
- (c) Enable the National Government and the World Bank to inspect activities within the County Government's jurisdiction, its operation and any relevant records and documents;
- (d) Prepare and furnish to the National Government and the World Bank all such information as reasonably requested relating to the performance of the Project; and
- (e) Exercise its rights and perform its obligations in implementation of the Project in such manner as to protect the interests of the World Bank and the National Government, and to accomplish the purposes of the Project.

2.5 The County Government shall ensure that expenditures under the Project shall not include salaries of civil servants (other than incentives or salaries for contracted Project staff).

2.6 The County Government shall use the Integrated Financial Management Information System (IFMIS).

2.7 The County Government shall carry out activities in accordance with this Agreement and use the funds within eligible expenditure areas while adhering to the Environmental and Social Standards in the SEP and ESCP with due diligence and efficiency and in accordance with sound technical, economic, financial, and managerial practices as set out in the Financing Agreement.

2.8 The County Government shall maintain adequate records in accordance with sound accounting practices and proper coding of the revenues and expenditures of the operations, resources and expenditures in respect of the approved activities.

2.9 The goods, works and services to be financed from the proceeds of the Project shall be procured in accordance with the World Bank and GoK's procurement procedures respectively. The County Government shall retain all documentation with respect to each contract executed for up to two years after the closing date of the project.

2.10 The Project NPCU shall have the right to obtain all information as they or the World Bank shall reasonably request regarding the administration, operation and financial management of financial resources provided and that the County Government shall report on the utilization of such resources.

2.11 The County Government shall ensure that all reporting including financial and technical reports are compiled and submitted as per the guidelines in the PIM and ensure a proper compilation of complaints on issues of environmental and social risks and impact management, procurement, fraud and corruption.

2.12 The County Government shall notify the Project NPCU and the World Bank of any serious or severe incident and accident on the environmental, social and health and safety within 24 hours of occurrence. In addition, the County Government will undertake the root cause analysis (RCA) for the incident and implement the safeguards corrective action plan (SCAP) as agreed with the World Bank.

2.13 The County Government shall provide the relevant information and documentation to the Office of Auditor General (OAG) and the Independent Integrated Fiduciary Review Agency (IIFRA) during audit or any other reviewer.

### 3. VALIDITY

3.1 This Agreement shall be valid from the date of the last signature by the Parties below to the end of the Project period as stated in the Financing Agreement or such a later date as may be modified by the NT and the World Bank;

3.2 This Agreement will become invalid in the event of cancellation of the Financing Agreement by the World Bank before the end of the Project Period;

3.3 This agreement may be terminated by either party through a three-month's written notice.

### 4. DISPUTE RESOLUTION

4.1 Subject to the Intergovernmental Relations Act (Chapter 5G, Laws of Kenya), any dispute between the Parties shall be resolved in accordance with Part IV of the Intergovernmental Relations Act.

4.2 This Agreement shall be governed and construed in accordance with the laws of Kenya and the applicable Financing Agreement.

### 5. IN WITNESS WHEREOF

The Parties hereto, acting through their duly authorized representatives, have caused this Intergovernmental Participation Agreement to be signed in their respective names as of the day and year first below written.

FOR AND ON BEHALF OF THE COUNTY GOVERNMENT OF  
THARAKA NITHI

Governor:

Signature:

Date:

(County Government official seal)

FOR AND ON BEHALF OF THE NATIONAL GOVERNMENT

Cabinet Secretary:

Signature:

Date:

(MoALFC official seal)